

**AMENDMENT
TO
GROUND LEASE AND AGENCY AGREEMENT**

This Amendment to Ground Lease and Agency Agreement is made on and as of July __, 2010 by and between the City of Burlington, a municipal corporation in the State of Vermont (the “Lessor”), and Burlington Community Development Corporation, a Vermont corporation with its principal place of business in Burlington, Vermont (the “Lessee”).

WHEREAS, the parties have entered into a Ground Lease and Agency Agreement dated as of June 29, 2006 (the “Lease”);

WHEREAS, the parties have agreed to extend the term of the Lease.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. Section 2 of the Lease shall be modified and replaced by the following:

“TERM: The term of this Agreement shall commence on April 1, 2006, and shall end on March 31, 2026 (the “Initial Term”), unless sooner terminated as hereinafter provided. So long as the Lessee is in compliance with the Lease, and there is no uncured default by the Lessee, the Lessee shall have the following options to extend the Initial Term of the Lease, upon notice as set forth below, for the following three additional terms:

A. One additional term of five (5) years (the “First Extended Term”) commencing as of the end of the Initial Term;

B. if the First Extended term is exercised, a second additional term of five (5) years commencing as of the end of the First Extended Term (the “Second Extended Term”);

C. If both the First Extended Term and the Second Extended Term options are exercised, then one additional term for seventy-three (73) years (the “Third Extended Term”) commencing as of the end of the Second Extended Term and expiring March 31, 2109.

The First Extended Term, the Second Extended Term and the Third Extended Term are individually referred to as a “Renewal Term” and collectively as the “Renewal Terms.”

The Lessee shall exercise each such option, if at all, by providing written notice to the Lessor, with a copy to the Lender, indicating it is

exercising such option, which notice shall be given not less than one hundred and twenty (120) days prior to the end of the Initial Term and, if applicable, the then current Renewal Term. The Initial Term, as it may be extended by the Renewal Terms, is referred to herein as the Term.”

2. Section 3 of the Lease shall be modified and replaced by the following:

“RENTAL: For and during the Initial Term and the First Extended Term and the Second Extended Term, Lessee shall pay Lessor an annual rental of \$.30 per sq. ft. for use and occupancy of the Leased Land (two parcels consisting of 62,172 sq. ft. and 3,213 sq. ft. equating to 65,385 sq. ft. x .30 = 19,615.50, in equal monthly installments in advance, on or before the fifth business day of each calendar month of the term, at the office of Lessor’s Director of Aviation, with said rental amount adjusted annually to reflect increases in the cost of living as reflected in the Consumer Price Index for all Cities, all Urban Consumers, published by the Bureau of Labor Statistics of the United States Department of Labor or equivalent replacement index (the “CPI”); provided, however, that the annual CPI increase shall not exceed 5% per year. In no event shall the rental be less than the immediately preceding rate.

In the event the Lessee exercises the Third Extended Term, the annual rental during such Third Extended Term shall be such amount as may be agreed upon by the Lessor and Lessee, which amount shall be not less than a fair market rent (“FMR”), as determined by the parties. If the parties cannot mutually agree upon the FMR for the Third Extended Term, the parties shall equally share the cost to employ an appraiser to determine the FMR for such Third Extended Term.

In the event that the parties cannot select a mutually agreeable appraiser, the FMR shall be determined in the following manner:

Each party will select an appraiser at its own cost, and the FMR shall be the average of the FMR as determined by the two appraisals; provided, however, if the two appraisals differ by greater than twenty percent, the parties shall equally share the cost to employ a mutually agreeable third appraiser, and the FMR shall be the average of the three appraisals.

All such appraisals shall be conducted and performed as independent appraisers and meeting the Uniform Standards of Professional Appraisal Practice standards.

Lessee and Lessor agree as follows:

In addition to the foregoing, Lessee agrees to remit to Lessor any rents and any Landing Fee Rentals due and payable from Heritage Flight,

pursuant to the terms of the Sublease Agreement attached hereto as Exhibit A.

Any rental amount payable which shall not have been paid when due shall bear interest at the rate of one and a half percent (1 ½ %) per month, which interest shall be paid by Lessee in addition to such amount.”

3. Section 14 of the Lease shall be modified to replace all time frames provided for notice and/or right to cure from thirty (30) days to sixty (60) days.

4. Section 18 of the Lease shall be modified to add the following:

“Notwithstanding the foregoing, the Lessor may not exercise its rights under paragraph 18 hereof, without the prior express written consent of any bank or financial institution holding a leasehold mortgage in the Lessee’s interest in the Lease and the Leased Land.”

5. Section 21 of the Lease shall be modified and replaced with the following:

FINANCING LESSEE IMPROVEMENTS: For the purpose of financing construction of improvements upon the Leased Land, and any refinancings thereof, Lessee shall have the right to execute and deliver to VEDA, a bank, financial institution or other source of financing (referred to as a “Lender”), a first mortgage, assignment or other security agreement on said improvements and its interest under this Lease Agreement. Until the Lender is fully paid and any mortgage or other encumbrances held by the Lender as security for indebtedness of the Lessee is discharged, the following terms shall govern:

- a. Such security instruments shall constitute valid and enforceable liens in favor of the Lender;

- b. No notice by the Lessor to Lessee exercising any rights or enforcing any remedies of the Lessor shall be effective unless and until a copy is given to the Lender;

- c. Lessor’s right to cancel under Paragraph 15 hereof, shall be subject to providing the Lender written notice of all such defaults, a reasonable identification of the steps required to cure such defaults, and an opportunity to cure such defaults within sixty (60) days from the applicable time limits provided in this Lease Agreement for the Lessee to cure such default(s);

- d. In order to accomplish cancellation of this Lease Agreement under Paragraph 15 hereof, notice of such cancellation must be

delivered to the Lender, which or who shall thereupon have the right to become the owner of Lessee's leasehold estate on the same terms and priority as Lessee by curing such defaults in accordance with Lessor's notice to Lender;

e. Nothing contained in this Paragraph shall be construed as requiring the Lender to cure a default by Lessee hereunder; rather Lender shall become liable under this Lease Agreement only when and if Lender exercises its rights hereunder and under its security documents with Lessee, either to become owner of the leasehold estate and/or to assume the obligations of Lessee hereunder. In such event, the Lender shall become liable hereunder for the period it is the owner of the leasehold estate and it shall have all rights of Lessee under this Lease Agreement for said period the same as if it has been the original signatory hereof;

f. If the Lender becomes the owner of the leasehold estate, it shall, upon prior written consent of the Lessor (which consent shall not be unreasonably withheld or delayed) have the right to transfer and assign its right and title in said leasehold estate to a third party subject to the assumption by its transferee of all obligations of Lessee hereunder. Such a transfer by the Lender shall be in form satisfactory to the Lessor. Upon such a transfer by the Lender, the Lender shall be relieved from all further liability, responsibility and obligations under this Lease Agreement;

g. Nothing herein contained shall be construed as limiting the right of Lessee to cure any of its defaults as elsewhere provided in this Lease and, similarly, nothing herein contained shall be construed as granting the Lender greater rights in the Leased Land than the rights of Lessee under this Lease;

h. No cancellation by Lessee under Section 15 shall be effective unless Lessor also receives the written consent to such cancellation from the Lender;

i. With the exception of the operation of Section 4 of the Lease, the Lease shall not be subordinated to any mortgage or other encumbrance without the prior written consent of the Lender, and any action by Lessor purporting to subordinate this Lease shall not be effective unless the Lender joins in such subordination;

j. In the event that the Lender succeeds to Lessee's rights under the Lease and transfer such rights to a third party, the uses to which Lessee may make of the Leased Land shall be expanded to include any lawful activity that is consistent with the operation of the Airport and consistent with the provisions of the Lease;

k. The payments to Lessor due under this Lease shall be fully subordinated to full and timely payment of amounts due to the Lender. Upon any default under the loans to Lender, all payments due under this Lease to Lessor shall be subject and subordinate to the prior payment of amounts due and payable by BCDC to the Lender, including amounts due upon demand or at maturity; provided, however, the foregoing shall not be construed as excusing or waiving performance by Lessee of any of its obligations under the Lease;

l. This Lease shall not be subordinated to any agreement, mortgage or other encumbrance without the written consent of the Lender and any action by Lessor purporting to subordinate this Lease, shall not be effective unless the Lender joins in such subordination; and

m. No relocation under Section 18 of the Lease shall be effective unless Lessor receives the prior written consent to such relocation from the Lender.

6. All references in the Lease to VEDA shall mean Lender unless VEDA holds a mortgage or security interest in the Lease in which case references to VEDA shall mean both VEDA and Lender, as their interests may appear.

In all other respects, the Lease as modified is hereby ratified and confirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to Ground Lease and Agency Agreement to be executed as of the date first above written.

CITY OF BURLINGTON

Witness

By: _____
Duly Authorized Agent

BURLINGTON COMMUNITY
DEVELOPMENT CORPORATION

Witness

By: _____
Duly Authorized Agent

ACKNOWLEDGEMENT

STATE OF VERMONT
CHITTENDEN COUNTY, SS.

At Burlington, Vermont, this _____ day of _____, 2010, personally appeared _____, duly authorized agent of the City of Burlington, and he/she acknowledged this instrument, by her/him sealed and subscribed, to be her/his free act and deed, and the free act and deed of the City of Burlington.

Notary Public

STATE OF VERMONT
CHITTENDEN COUNTY, SS.

At Burlington, Vermont, this _____ day of _____, 2010, personally appeared _____, duly authorized agent of the Burlington Community Development Corporation, and he/she acknowledged this instrument, by her/him sealed and subscribed, to be her/his free act and deed, and the free act and deed of Burlington Community Development Corporation.

Notary Public